

IN THE ABSTRACT

Please replace the current abstract of the invention in its entirety with the following:

---A point of service adjudicated payment system and method which provides for creation of an adjudicated settlement transaction at a point of service which designates the portion to be paid by a third party payor and the portion to be paid by a customer. A point of service terminal accepts a payment system access card, such as a credit card, for payment of a service and/or product by a customer, where at least part of the purchase is reimbursable by a third party payor. The point of service terminal creates a purchase transaction which is adjudicated by an adjudication engine substantially in real-time to determine a covered amount payable by the third party payor and any non-covered amount which is to be paid by the customer. An adjudicated settlement transaction is returned to the point of service terminal and the payment system transfers funds according to the adjudicated settlement transaction.---